

***Four Point Plan for Budget Reform and Accountability***

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U.S. Congressmen Cardoza and Costa call for Congress and the President to put in place common sense budget reforms to pay for Hurricanes Katrina and Rita and to secure our nation's financial future:

- **Reform the Faulty Medicare Prescription Drug Plan**

*Congress can rewrite the President's deeply flawed Medicare Prescription Drug law - preserving the good aspects such as benefits for low-income seniors, the drug discount cards that seniors have already received, and the benefits for safety net and rural hospitals - and save several hundred billion dollars in the next ten years.*

***Savings: \$20 billion in FY05; \$32.8 billion in FY06, \$724 billion in FY06-15***

- **Place a Moratorium on Any New Tax Cuts**

*The 2005 Budget Resolution included \$106 billion in new deficit-financed tax cuts over the next five years, including \$70 billion to be enacted under special "fast-track" reconciliation procedures.*

***Savings: At least \$70 billion***

- **Issue "Katrina" and "Rita" Bonds**

*We are very grateful for the outpouring of charitable gifts to the Gulf Coast Region. Investors should also participate by being able to purchase "Katrina" and "Rita" bonds - US Treasury bonds to be sold over the next year to American citizens and companies. These bonds would be sold only to US buyers and would enable us to reduce our growing dependence on foreign capital to fund our rebuilding efforts*

- **Force Government to be Accountable for Runaway Deficits**

*Our nation is currently facing a fiscal catastrophe that could have been avoided. The broken budget process has led to deficits of historic proportions, and these debts have left our nation ill-prepared to absorb the costs of post-Katrina and Rita reconstruction. To get our nation back on track, we call for the following:*

- *A bipartisan budget summit between the President and Congress.*
- *Immediate enactment of the Blue Dog budget process reform plan, which includes such sensible measures as restoration of Pay-As-You-Go or PAYGO limits so that any new spending must be paid for by cuts in other programs or by new revenues, and a rainy-day fund to prepare for future contingencies.*